



## Department of Energy

Washington, DC 20585

MAR 28 2002

Mr. Marcus Peacock  
Program Associate Director,  
Natural Resources, Energy and  
Science Division  
Office of Management and Budget  
Eisenhower Executive Office Building  
Washington, DC 20503

Dear Mr. Peacock:

The Department of Energy is now at a crucial juncture in executing our safeguards and security program. The Department's remaining safeguards and security budgets are not sufficient to implement the security posture requirements that appropriately respond to the September 11<sup>th</sup> attacks. On March 14, the Secretary transmitted to Director Daniels supplemental funding proposals for safeguards and security, emergency response, and energy security. The Secretary's transmittal letter described the underlying need to increase our response capabilities for emergencies and improve the security posture of Department in order to adequately protect the public, our workers, and the environment. We appreciate your support for our \$26.4 million supplemental request to increase emergency response efforts, however, we are very disappointed that we did not get your support for supplemental security funding.

We are disconcerted that OMB refused our security supplemental request. I would have much preferred to have heard this from you personally, and been given an opportunity to discuss, not to mention, appeal your decision. We were told by Energy Branch staff that the Department's security supplemental proposals were not supported because the revised Design Basis Threat, the document that outlines the basis for physical security measures, has not been completed. This isn't a tenable position for you to take, in my view. We are not operating, and cannot operate, under the pre-September 11 Design Basis Threat. Until that is revised, we must operate under Interim Implementing Guidance, and you have not provided resources to enable us to do so.

Given our current security funding and the physical security situation we face today, Mr. Joseph Mahaley, our Security Director, and I would like to meet with you to discuss our fiscal year 2002 and 2003 safeguards and security concerns. I can be contacted on (202) 586-4171 to arrange this discussion.

Sincerely,

Bruce M. Carnes  
Director, Office of Management, Budget  
and Evaluation/Chief Financial Officer



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